



# ***INSIGHTS***

107<sup>th</sup> Congress

July 8, 2002

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***INSIGHTS*** is prepared expressly for the Department of Energy's Office of Federal Energy Management Programs (FEMP). The purpose of ***INSIGHTS*** is to provide FEMP management staff with timely information on legislative activities relevant to the program. ***INSIGHTS*** is prepared for FEMP by Energetics, Incorporated, (202) 479-2748.

# I. WEEKLY SUMMARY

## HOUSE

This week's highlights include:

- Committee on Appropriations mark up of the FY 2003 Interior and Related Agencies Appropriations bill on July 9
- Committee on Appropriations mark up of the FY 2003 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations bill on July 11
- Armed Services Committee mark up of a bill to establish a cabinet-level agency for Homeland Security and Committee on Energy and Commerce subcommittee hearing on Homeland Security issues including energy infrastructure

## SENATE

- The Senate is scheduled to hold several hearings on the establishment of a cabinet-level agency for Homeland Security

## CONFERENCE COMMITTEES/VOTES

***Comprehensive Energy Legislation*** Conference Committee Chair, Representative Billy Tauzin (R/LA), last week announced the schedule for negotiators to meet on *H.R. 4*. Provisions in the House and Senate bills have been organized into "Tier I" and "Tier II" issues. **Tier I issues include the most controversial provisions including electricity restructuring, energy tax incentives, Corporate Average Fuel Economy Standards (CAFE), climate change, ethanol and reformulated gasoline, the Arctic National Wildlife Refuge, and oil and gas production.** Committee discussion over less controversial Tier II issues will be followed by other energy efficiency provisions, clean coal, among topics. The committee is expected to begin negotiations after Congress returns from the Fourth of July recess although no schedule has been announced.

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# II. COMMITTEE ACTIVITY

## HOUSE

***FreedomCAR*** On June 26<sup>th</sup> the Subcommittee on Energy (Committee on Science) held a hearing entitled, *FreedomCAR: Getting New Technology into the Marketplace* to discuss new technologies in the fuel cell market. Subcommittee Chairman Roscoe Bartlett (R/MD) said, "A number of companies and organizations have developed or are developing exciting technologies that, if incorporated into new and existing vehicles would improve efficiency, reduce emissions and diversify fuel choice. Ensuring that these technologies are adopted in the marketplace should be a major part of the overall challenge of the FreedomCAR program." Witnesses included Amory Lovins of the Rocky Mountain Institute, Doug Rothwell of the Michigan Economic Development Corporation, Bob Templin of the Paice Corporation,

and Dr. Roger Salliant of Plug Power Inc. New concepts and technologies described at the hearing include:

- Hypercar – An efficient car that can achieve the equivalent of 100 miles per gallon in a SUV-type vehicle.
- NextEnergy Initiative – A program developing in Michigan that will move the economy away from dependence on the internal combustion initiative
- Hyperdrive System – A system that can increase fuel efficiency by 50 percent

***Department of Homeland Security*** On June 25, James Greenwood (R/PA), Chairman of the Subcommittee on Oversight and Investigations (Committee on Energy and Commerce) conducted a hearing on the proposed Department of Homeland Security. Key witnesses included Tom Ridge, Director of the Transition Planning Office for the Department of Homeland Security and Philip Anderson of the Center for Strategic and International Studies (CSIS). (President Bush appointed Mr. Ridge to this position under an executive order issued earlier this month). **Mr. Ridge pointed out that the Information Analysis and Infrastructure protection section of the new Department would assume the responsibility of assessing security risks posed to critical infrastructures, including** food and water systems, agriculture, health systems and emergency services, information and telecommunications, banking and finance, **energy (electrical, nuclear, gas and oil, dams)**, transportation (air, road, rail, ports, waterways), the chemical and defense industries, postal and shipping entities, and national monuments and icons. **Mr. Anderson briefed the committee on the progress of CSIS's simulation exercise that explores the vulnerability of the U.S. energy infrastructure. The program will provide scenarios in which policymakers must decide on whether and how to act in the case of a credible threat against critical energy infrastructure.**

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## SENATE

***S. 2708 - FY 2003 Interior Appropriations*** The \$19.346.902 billion bill includes the following provisions of interest:

### DEPARTMENT OF ENERGY

- Energy Conservation - \$921.741 million

#### **Federal Energy Management Program – \$27.880 million**

Building Technology, State and Community Sector - \$408.791 million

Power Technologies - \$ 63.904 million

Industry Sector - \$138.359 million

Transportation - \$222.664 million

- Energy Information Administration - \$ 80,111 million
- Northeast Home Heating Oil Reserve - \$ 8 million

## **DEPARTMENT OF THE INTERIOR**

- Wildland Fire Management - \$12.976 million for construction of buildings, recreation facilities, roads, trains, etc. and \$175.652 million for capital improvements and maintenance of facilities
- U.S. Fish and Wildlife Service - \$42.182 million for construction, improvement, acquisition, or removal of buildings and other facilities
- National Park Service

Provides \$90.280 million for maintenance repair or rehabilitation projects for constructed assets, operation of the National Park Service automated facility management software system, and comprehensive facility condition assessments

Provides \$361.915 million for construction, improvements, repair or replacement of physical facilities

Provides unspecified funding level to purchase 46 non-police type vehicles plus 10 buses and 8 ambulances

Notwithstanding any other provision of law, in FY 2003 and thereafter, **sums provided to the National Park Service by private entities for utility services shall be credited to the appropriate account and remain available until expended.**

## **U.S. Geological Service**

- Provides unspecified funding level for construction and maintenance of necessary buildings and appurtenant facilities
- Provides unspecified funding level to purchase up to 53 passenger motor vehicles

## **Forest Service**

- Provides \$565.656 million for construction, reconstruction, maintenance, and acquisition of buildings and other facilities and for forest roads

## **Smithsonian Institution**

- Provides \$20 million for construction of National Museum of American Indian
- Provides \$81.3 million for maintenance, repair, restoration, and alteration of facilities owned by the Smithsonian Institution

## **John F. Kennedy Center for the Performing Arts**

- Provides \$17.6 million for capital repair and restoration of existing features of the building

## **National Gallery of Art**

- Provides \$16.230 million for repair, restoration, and renovation of buildings, grounds, and facilities owned or occupied by the gallery.

***Recreation Fees on Public Lands*** On June 19, Jeff Bingaman, Chairman of the Senate Committee on Energy and Natural Resources, conducted a hearing to discuss two bills:

- ***S. 2473*** - legislation authorizing admission and recreation use fees at units of the National Park System
- ***S. 2607*** - legislation authorizing recreation fees for the Park Service, Fish and Wildlife Service, Bureau of Land Management and Forest Service

Mark Rey, Under Secretary of Agriculture for Natural Resources and Environment in the Department of Agriculture, expressed the Department's support for *S. 2607*, and added that the Department would support *S. 2473* if Congress would include authority for the Forest Service and other Department of Interior agencies that have recreation responsibilities to charge and retain recreation use fees. **Mr. Rey noted that under the current law, the “recreational fee program funds are making a crucial difference in providing quality recreation services, reducing maintenance backlog, enhancing facilities, enhancing safety and security, and conserving natural resources.”** Chairman Bingaman expressed approval of the current recreational fee policy for public lands, saying that it authorizes the Federal Government to “charge a fee for anything, without limitation.” He also stated that “there is strong public support for making sure that visitor fees are spent mostly where they are collected, and that the revenue be used for resource protection, maintenance backlogs and to improve visitor services.”

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# III. STATUS OF FY 2003 APPROPRIATIONS BILLS

(In Billions)

HOUSE

SENATE

Jurisdiction/ FY 2003 Budget Request	302(b) Allocations / Approved Funding Level	Bill No.	Full Cmte.	Floor	Conf.	302(b) Allocations / Approved Funding Level	Bill No.	Full Cmte.	Floor	Conf.
Agriculture \$17.051	\$ 17.601		7/11			\$ 17.980				
Commerce \$ 40.333	\$ 40.726					\$ 43.475				
Defense \$356.598	\$354.447	HR 5010	6/24	6/27		\$ 355.1				
Energy and Water Development \$251.149	\$ 26.027					\$ 26.300				
Interior \$18.953	\$ 19.670		7/9			\$ 18.926		6/27	Week of 7/8	
Labor / HHS \$129.902	\$129.902					\$133.988				
Military Construction \$ 9.541	\$ 10.083	HR 5011	6/24	6/27		\$ 10.622		6/27		
Transportation \$ 19.851	\$ 19.411					\$ 21.100				
Treasury \$ 17.960	\$ 18.501					\$ 18.501				
VA/HUD \$ 92.518	\$ 91.841					\$ 91.434				
Total 302(b) Allocations/ FY 2003 Budget Request \$748.141***	\$748.096 ***					\$768.1 ***				

\*\*\* Also includes appropriations bills not listed or relevant to this report.  
Red/Bold/Italics Text indicates anticipated dates for mark ups and votes.

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## IV. NEW LEGISLATION

*(Note: Once a new bill is introduced, the Government Printing Office generally requires from several days to one week to make the bill available in print)*

### HOUSE

Number	Short title	Date	Sponsor	Status
<b>H.R. 5046</b>	<b><i>No Short Title</i></b>	June 27	Scott McInnis (R/CO)	Referred to the Committee on Resources
	Authorizes the Secretary of the Interior to collect and expend donated and appropriated funds for the design, construction, maintenance, and operation of a cultural center and related facilities to be constructed for visitors and administration of Mesa Verde National Park.			

### SENATE

*No new bills of interest to report.*

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## V. ADMINISTRATION INITIATIVES

***Comments on Comprehensive Energy Legislation*** In a June 28 letter to Representative Billy Tauzin (R/LA), who chairs the Conference Committee for *H.R. 4*, Secretary Abrahams outlines the Administration's position on the provisions contained in the House and Senate versions of the bill. In his letter, the Secretary states that "The Administration is pleased that a majority of the provisions of the President's National Energy Policy" are contained in one of the versions of *H.R. 4*. His comments address specific issues of interest and include the following:

### **Modernization of Wholesale Electricity Laws**

The Administration supports efforts to ensure open access for all generators to the wholesale electricity grid; establish mandatory and enforceable reliability rules that will reduce the changes for power outages, repeal the Public Utility Holding Company Act (PUCHA), an outdated law that restricts utility investment; and reform Public Utility Regulatory Policies Act (PURPA) in an innovative and competition-friendly manner.

The Administration is also pleased with the provisions that would strengthen the Federal Energy Regulatory Commission's (FERC) authority to review mergers and prohibit abuses of market power...will support provisions that will protect consumers against unauthorized disclosure of

personal information or unauthorized switching of electricity service and strengthen the FERC's ability to ensure just and reasonable rates.

The Administration supports initiatives to increase the use of renewable fuels in electricity generation. However, we think renewable portfolio standards (RPS) are best left to the States. We oppose the Senate bill's RPS mandate, which would likely raise costs to consumers, especially in areas where these resources are less abundant and harder to cultivate or distribute. The Administration supports renewable energy in electricity production by calling for the three-year extension of the renewable energy production tax credit.

### **Fleet Fuel Economy**

The Administration supports improving fuel economy while protecting passenger safety and jobs. The Corporate Average Fuel Economy (CAFE) provisions in both the House and Senate bills are consistent with the Administration's call to let the National Highway Traffic Safety Administration (NHTSA) set standards that will improve fuel economy while protecting safety and jobs.

The Administration supports the increased use of cleaner burning fuels and vehicles in the Federal Government's automotive fleet. However, we are concerned that provisions in the Senate bill contain timetables and mandates for the penetration of alternative fuel vehicles in the Federal automotive fleet that may be unduly burdensome to administer and expensive to implement.

### **Renewable Fuels Standard**

The Administration supports the renewable fuels standard compromise contained in the Senate bill and urges conferees to adopt it. This provision will increase the use of clean, domestically produced renewable fuels, like ethanol, which will improve the Nation's energy security, farm economy, and environment.

To view the letter in its entirety, visit the DOE website at <http://www.energy.gov/HQPress/releases02/junpr/junpr.htm>

***FY 2003 Appropriations*** On June 27, the Office of Management and Budget (OMB) released statements on two FY 2003 appropriations bills, which have cleared the House. Comments include:

#### ***H.R. 5010 - FY 2003 Appropriations for Defense***

The Administration supports the FY 2003 Department of Defense Appropriations Bill as reported by the House Committee. The Committee bill appropriately funds many of the major requirements needed to keep America secure, to transform U.S. defense capabilities, and to maintain the quality of life of our armed forces...The Committee includes a reduction of almost \$3 billion to Operation and Maintenance programs, including a \$1.6 billion cut to critical readiness programs based on the assumption that savings can be achieved in working capital funds, foreign currency fluctuations, and other programs. These savings may not materialize, and thus may force read reductions in military readiness. Requested funding for readiness programs is needed at this critical time.

#### ***H.R. 5011 - FY 2003 Appropriations for Military Construction***

The Administration supports the FY 2003 Military Construction Appropriations Bill as

reported by the House Committee. The bill ensures that the Nation's military construction priorities are met, and provides the resources and infrastructure for our fighting forces at home and abroad. The Committee's bill supports the President's request for Base Closure and Family Housing. While the Military Construction bill exceeds the President's request by over \$0.5 billion, the Administration notes that the bill level is within an overall acceptable discretionary total. The increase for roughly 90 unrequested projects totaling \$0.6 billion in this bill could potentially constrain the opportunity to support higher priority programs in other areas. The Administration looks forward to working with the House to advance our collective goals as the process moves forward.

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## VI. HEARINGS SCHEDULE

### HOUSE – COMMITTEE ON APPROPRIATIONS

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/Location
<i>July 9</i> – Committee on Appropriations  <i>(NEW)</i>	Bill Young (R/FL)	<i>Mark Up - H.R. ____ - FY 2003 Interior and Related Agencies Appropriations bill</i>	N/A	10:00 a.m. Room 2359 Rayburn Office Building
<i>July 11</i> – Committee on Appropriations  <i>(NEW)</i>	Bill Young (R/FL)	<i>Mark Up - H.R. ____ - FY 2003 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations bill</i>	N/A	9:00 a.m. Room 2359 Rayburn Office Building

### HOUSE – AUTHORIZATIONS/OVERSIGHT

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/Location
<i>July 10</i> - Committee on Armed Services  <i>(NEW)</i>	Bob Stump (R/AZ)	<i>Mark Up – H.R. 5005 - To establish a cabinet- level agency: the Department of Homeland Security, and for other purposes.</i>	N/A	10:00 a.m. Room 2118 Rayburn Office Building
<i>July 9</i> - Subcommittee on Oversight and Investigations	Billy Tauzin (R/LA)	<i>Hearing – Creating the Department of Homeland Security:</i>	TBA	9:00 a.m. Room 2123 Rayburn Office Building

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/Location
(Committee on Energy and Commerce)		Consideration of the Administration's Proposal. Focus will be on the research and development and critical infrastructure activities including energy, proposed for transfer to the new Department.		
<b>(NEW)</b>				

## SENATE – COMMITTEE ON APPROPRIATIONS

*No hearings, mark ups, or votes have been scheduled.*

## SENATE – AUTHORIZATIONS/OVERSIGHT

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/Location
<b>July 10</b> – Committee on Environment and Public Works	James Jeffords (I/VT)	<b>Hearing</b> – To receive testimony on the President's proposal to establish the Department of Homeland Security.	TBD	2:00 p.m. Room 406 Dirksen Office Building
<b>(NEW)</b>				
<b>July 10</b> – Committee on Energy and Natural Resources	Jeff Bingaman (D/NM)	<b>Hearing</b> – To explore the present and future roles of the Department of Energy/National Nuclear Security Administration national laboratories in protecting our homeland security.	TBD	2:30 p.m. Room 366 Dirksen Office Building
<b>(NEW)</b>				

## CONFERENCE COMMITTEE NEGOTIATIONS/FLOOR VOTES

Date/Activity	Bill
<b>Week of July 8 and 15</b> (Tentative)	<b>Conference Negotiations</b> - H.R. 4775/S. 2551 FY 2002 Supplemental Appropriations – negotiations to begin late this week and into next week when floor votes are expected to be scheduled.
<b>(NEW)</b>	

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